



Business Case

Project Name: Learning Management System (LMS)

Channel: SFA University

Project Sponsor: Anne Teresa

Project Lead: Vicki Wilson

The following business case articulates the need to implement a Learning Management System (LMS) for SFA University. This business case addresses the full implementation effort and a detailed implementation approach. Costs and benefits were confirmed during Phase 1: Requirements and Software Selection. At this time it is requested that funding be provided for Phase 2: Design, Build, and Implement the basic LMS followed by Phase 3: Customize LMS.

Project Description

Describe the need for change (the business problem to be addressed).

When SFA became a PBO, SFA University was created and given the responsibility of providing best in business learning services to both SFA staff (internal audience) and to SFA external partners (external audience), such as Financial Aid Professionals, High School Counselors, Operating Partners and members of the student financial aid industry.

SFA University is responsible for the development and delivery of instructor led training as well as the delivery of Computer Based Training (CBTs). In delivering learning events, SFA University is responsible for the training administration functions. This includes managing the course offerings, managing the availability and assignment of instructors, classroom locations, and equipment, providing a means for participants to register for courses, tracking registration and attendance, providing a means to evaluate course offerings, and tracking and reporting course information.

Currently, the majority of these functions are done manually, or using decentralized systems. Limited information is captured and retained, and there are no reporting capabilities.

In addition to Instructor Led Training, SFA University and the Channels sponsor various conferences. The majority of these conferences are managed by contract with operating partners. Generally, the operating partners provides a registration system. SFA University has limited access to the information gathered by these registration systems.

The implementation of a Learning Management System (LMS) will automate these training administration functions, as well as provide a means to deliver CBTs. SFA University staff will be able to move from performing manual data entry functions to effectively managing training administration and providing valuable training information for use in decision-making.



What is the purpose of the initiative?

The focus of this effort is to improve the efficiency of training delivery administration within SFA University in order to provide better service to both internal staff and external partners. When implemented, customers will be able to access targeted learning more accurately and more quickly. The LMS will enable SFAU to deliver these services in a proactive manner with greater consistency and efficiency. SFA use of the current training registration system will be suspended when the Learning Management System is fully implemented.

Phase 1 of this initiative considered various approaches to implementing an LMS, including a build option, an outsourcing option with the Department of Transportation in partnership with the Department of Education TDC, and an option to leverage HR systems and performance management systems as defined by the Automated Human Capital Model Task Order 62.

An initial estimate of the cost to build an LMS was determined to be approximately five times the cost of purchasing an off the shelf system from a vendor. Therefore this option was ruled out due to the prohibitive costs.

Additionally, SFA University met with the Department of Education TDC, and found that the TDC has been in the process of contracting with the Department of Transportation's Transportation Virtual University (TVU) to implement an LMS and obtain licenses to 800 computer based training (CBT) titles. The TDC agreement with TVU includes all of Department of Education, including SFA's 1200 staff members. The TVU offers the NEBO Learning Management System, developed by LearnFrame Corporation, and CBT titles from Netg and Skillsoft.

Finally, an ASP hosting approach was considered. This approach was to evaluate and select a 3rd party vendor that would be integrated onto the Jamcracker platform. This approach would be consistent with the approach for the Automated Human Capital Model, already in place. The ASP approach provides SFA University full functionality, scalability and support without the need for in-house hardware infrastructure or detailed technical expertise.

At the conclusion of Phase I, the decision was made to use two of the three options. This allows SFA to leverage both the Jamcracker model, as well as the agreement between TDC and TVU. The Jamcracker model will be used for the external audience who are attending training events and conferences, and the TVU model will be used for the internal audience.

The internal audience will use the full functionality of an LMS, whereas the external audience will use the catalog and registration functions of an LMS. External audiences account for approximately 25,000 registrations per year.

What is the scope of the initiative, including what it is not?

For Phase 2:

Internal

Implementation of basic LMS functionality, including:

- An online, searchable course catalog with descriptions of all SFA learning events, including general subject CBTs that will enable employees to find courses that match the skills needed to perform specific jobs.
- An online registration system, which allows for waitlisting, cancellations, minimum and maximum enrollments, and email notifications.
- An online training evaluation system that will allow SFA University to make cost effective decisions on future training projects.



- An online training “homepage” for each employee to use to plan training and track training history.
- Reporting capabilities.
- The ability to print certificates, nametags, and table tents.
- A training request survey to determine what training is missing and/or needs to be developed.
- The ability to manage all of the above online.

External

- An online catalog with descriptions of all SFA learning events.
- An online registration system, which allows for waitlisting, cancellations, minimum and maximum enrollments, and email notifications.
- Reporting capabilities.

For Phase 3:

Internal

The scope of Phase 3 will include the design and development of any customizations needed by SFA. Not included in this effort is an assessment of skills, curriculum and courseware.

- An online searchable course catalog that will enable employees to find courses that match the skills needed to perform specific jobs, thereby enhancing career potential and aiding in employee satisfaction.
- An online registration system that includes logistical information such as travel arrangements, directions, maps, and hotel information.
- A scalable system that may be used to facilitate web-based classroom training and the coordination of traditional classroom instruction.
- Shared data interfaces with HR and other systems that enable employees to view performance plans and determine what courses they need to improve skills.
- A training request survey to determine what training is missing and/or needs to be developed. This will add to cost reduction and customer satisfaction by giving the customers the ability to communicate what training they want and what format works best for them.
 - Load existing training histories from legacy systems
 - Build customized reporting functionality

External

- An online registration system that includes logistical information such as travel arrangements, directions, maps, and hotel information.
- A scalable system that may be used to facilitate web-based classroom training and the coordination of traditional classroom instruction.
- A training request survey to determine what training is missing and/or needs to be developed. This will add to cost reduction and customer satisfaction by giving the customers the ability to communicate what training they want and what format works best for them.

What is the start date and end date of the initiative?

Pending approval by the Investment Review Board, the initiative will begin when funding is approved by the IRB, and will produce Initial Operating Capability (IOC), as defined by Phase 2, within 5 months after IRB approval. Final Operating Capability will follow in Phase 3 and be completed 8 months after kickoff.



What other business areas/external groups are affected by the implementation of this initiative and how are they affected?

The SFA University organization will be greatly impacted in their day-to-day operations. Most significantly, employees who administer training will be impacted. Further, human resources will be impacted by those processes that integrate learning management, training and human resources functions. For example, systems/processes pertaining to skills management, performance management and employee information may be affected.

Additionally, organizations that sponsor conferences will be impacted. Staff will need to provide conference information to SFA University training administrators for inclusion in the course catalog. Staff who negotiate conference contracts will no longer need to include a registration system in the contracts, as one will be provided as part of the LMS.

SFA staff will need to learn how to use the LMS homepage to plan, register, and track their training. The LMS has a user-friendly interface that should be easy for most staff to learn. SFA external partners who attend training and conferences will need to be informed of any new registration processes.

What systems are impacted by the implementation of this initiative and how are they impacted?

The current system for assisting registration does not meet the needs of SFA University system and will be retired. As new Human Resource systems are brought online using the Jamcracker platform, the existing Human Resource systems will not be greatly impacted. Related business processes will experience minor impacts.

Specific technical interfaces have been defined during Phase 1 as technical requirements.

What business processes are impacted by the implementation of this initiative and how are they impacted?

The business processes to be directly impacted include:

- Researching courses
- Course Registration
- Certificate and name-tag printing
- Course evaluations
- Reporting on training usage and effectiveness
- Curriculum planning
- Conference registration
- Resource management (managing instructors, equipment, and classrooms)
- Use of training delivery channels (CBT, WBT, Webcasting, etc...)

As stated above, other SFA processes such as human resources may be impacted by those processes that integrate learning management, training and human resources functions. For example, human resources processes pertaining to skills management, performance management and employee information may be affected.



Enterprise Impact

What are the impacts on the Enterprise from the implementation of this initiative? (Please detail decisions needed from Department)

All organizational units within SFA will be end-users of the system, and will therefore be affected in the sense that all training will be available through the LMS.

External customers who are end-users of the system will use the new system for training and conference registration.

Section 508 Compliance

The SFA University LMS Team consulted the Joe Tozzi and Don Barrett of the Assistive Technology Group (ATG) repeatedly during Phase I. The ATG team provided and reviewed a 508 checklist was sent to LMS vendors in the vendor packet. The two vendors who received the highest scores during the selection process were invited to be tested for compliance with 508 by ATG.

Technologies Used

List the proposed technologies that will be used to implement this project.

Internal

The internal audience will be using Training Server by Thingq or NEBO by LearnFrame. This decision will be made by TDC.

External

The external audience will use the TBD vendor for LMS services and hosting. The TBD LMS will be integrated onto the Jamcracker platform.

Name/type	Proposed use	Has technology been used at SFA before? Where?	Does Technology fit SFA's Architecture Standard? Explain.	Does SFA have the technical expertise to implement this technology? Why?
Vendor TBD	LMS—external customer	No	Yes	No
Training Server	LMS—internal customer	No	TBD	No



Benefits

Provide a narrative discussion to explain why SFA is doing the initiative and what project objectives or expected outcomes can be quantified and how can they be measured. Demonstrate that the initiative supports the goals and objectives of SFA, how it supports these goals and objectives, to what extent it helps SFA achieve these goals and objectives and when these benefits will be realized. Also, comment on how this initiative contributes to the financial integrity of SFA's systems.

The primary benefits for the Learning Management System are improving customer and employee satisfaction. Reductions in unit costs may be achieved by reducing the effort to administer training services.

Given that the current system does not provide the desired capability, a cost comparison with an existing system/capability is not possible. The benefits below have been revised at the end of Phase 1 to more closely reflect the benefits of the capabilities to be provided by the LMS.

Reduce Unit Cost

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Improved course registration - Centralized internal registration Centralized external registration, with more functionality, including waitlisting, minimum and maximum enrollment, easier cancellations	Employee and customer surveys, increased course attendance Reduced customer and employee inquiries	5 months after IRB approval
Automated course scheduling – reduced manual effort	Reduced administrative time	5 months after project IRB approval
Automated course evaluation process – elimination of data entry	Reduced administrative time	5 months after project IRB approval
Automated reporting – reduced SFAU staff effort to create reports manually in desktop tools	Reduced administrative time	5 months after project IRB approval
Reduced logistics planning	Course fulfillment % and course attendance will be tracked to provide accurate projections of logistic needs for future classes	5 months after project IRB approval



Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Elimination of courses or re-purposing courses to less costly delivery channel (web-based, self-study); specific benefit based on costs of revised courses	Attendance and course feedback information will be used as input to assess if a course should be eliminated or revised. Course elimination or revising course delivery will reduce training delivery costs such as travel and material costs.	Ongoing based on need for course/curriculum revisions
Individual training plan	Customer feedback surveys will assess efficiency of training process	5 months after IRB approval
Reduced time for employees and administrators to discuss training inquiries; estimated reduction of 25% of phone inquiries	The number and type of inquiries will be tracked to measure if the number of technology based inquiries increase and the number of phone inquiries decrease	5 months after IRB approval
Leveraging LMS and CBTs available at no cost to SFA		
<i>Assumptions</i>		



Increase Customer Satisfaction

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
External Partners will have reliable and easy access to training information in a course catalog.	<ul style="list-style-type: none">• Improved customer feedback through surveys• Reduced customer inquiries	5 months after project initiation
One site for all registration (both training and conferences) will simplify registration process and reduce confusion	<ul style="list-style-type: none">• Improved customer feedback through surveys• Reduced customer inquiries	5 months after project initiation
Revised registration and logistics process will eliminate the current complicated and often “down” SFA University registration site	<ul style="list-style-type: none">• Improved customer feedback through surveys• Reduced customer inquiries	5 months after project initiation
Accurate notifications of registration and cancellations via email	<ul style="list-style-type: none">• Increased class fulfillment %• Reduced inquiries• Reduced cancellations	5 months after project initiation
The ability to provide feedback through surveys will enable customers to have a significant impact on the training that is offered in the future	<ul style="list-style-type: none">• Increased course attendance• Improved customer feedback through surveys	Ongoing, based on need for course/curriculum revisions
<i>Assumptions</i>		



Increase Employee Satisfaction

Quantified/Qualitative Benefit	How will benefit be measured/realized?	When will benefit be realized?
Employees will have reliable and easy access to the training information for both registration and development of training plans	<ul style="list-style-type: none"> Improved employee feedback through surveys Reduced employee inquiries 	5 months after project initiation
Revised registration and logistics process will eliminate the current complicated and often “down” SFA University registration site	<ul style="list-style-type: none"> Improved employee feedback through surveys Reduced employee inquiries 	5 months after project initiation
Accurate notifications of registration and cancellations via email	<ul style="list-style-type: none"> Increased class fulfillment % Reduced employee inquiries Reduced cancellations 	5 months after project initiation
The ability to provide feedback through surveys will enable employees to influence future training which is more closely aligned with skill development needs	<ul style="list-style-type: none"> Increased course attendance Improved employee feedback through surveys 	Ongoing based on need for course/curriculum revisions
Employees will have a complete and accurate record of their training instead of a fragmented record held in multiple locations	<ul style="list-style-type: none"> Improved employee feedback through surveys Reduced employee inquiries 	5 months after project initiation
Employees will receive recognition through the awarding of a certificate at the end of training instead of waiting for manual production	<ul style="list-style-type: none"> Improved employee feedback through surveys Reduced administrative time generating certificates 	5 months after project initiation
<i>Assumptions</i>		
<ul style="list-style-type: none"> Requires integration of individual training plans from performance management tool such as Perform.com through the Jamcracker platform. Supervisors will be able to better monitor and respond to employee feedback by use of evaluations 		



Estimated overall dollar amount of all benefits listed above.

Quantified Benefits					
BY	BY+1	BY+2	BY+3	BY+4	Total
\$36,000¹	\$36,000¹	\$36,000¹	\$36,000¹	\$36,000¹	\$180,000¹
\$15,147²	\$15,147²	\$15,147²	\$15,147²	\$15,147²	\$75,735²
					\$255,735
Assumptions					
<ul style="list-style-type: none">Quantified benefits were assessed during Phase 1 after requirements are gathered <ol style="list-style-type: none">Site maintenance estimatesAdministrative support estimates					



Costs

Provide costs, including those to implement the initiative and the costs to support it over its useful life.

External Audience

The following cost figures are for Jamcracker implementation of Saba's Learning Management System as an example.



COSTS (\$000)							
Development							
	BY (FY01)	BY+1 (FY02)	BY+2 (FY03)	BY+3 (FY04)	BY+4 (FY05)	BY+5 (FY06)	Total
Implementation	\$150	\$1,000	-	-	-	-	\$1,150
Total Development	\$150	\$1,000	-	-	-	-	\$1,150
Operations							
Transactional License Costs	-	\$100	\$100	\$100	\$100	\$100	\$500
Hosting	-	\$150	\$150	\$150	\$150	\$150	\$750
Total Operations	-	\$250	\$250	\$250	\$250	\$250	\$1,250
Total Cost	\$150	\$1,250	\$250	\$250	\$250	\$250	\$2,400
<i>Assumptions</i>							
<ul style="list-style-type: none"> Actual development costs estimated during Phase 1 BY: Implement for 1,200 internal employees during Phase 1 BY+1: Implement for 30,000 external registrants and customize/extend functionality during Phase 3 Sample costs based on sourcing/funding option of LMS using ASP hosting based on standard software costs. Actual costs and sourcing approach confirmed during Phase 1. Phase 1 costs already allocated and completed Hosting and maintenance costs were negotiated with Saba 							

Total Cost of Ownership

What is the level of required enhancement after implementation?

Internal

TDC will take care of this in their agreement with TVU.

External

The vendor will provide system maintenance and upgrades, for an annual fee. Capability enhancements are only required as the need for services and capabilities are revised. Course and employee data will be updated as the information is revised. Should changes be made to other systems that share data with the LMS, these interfaces will need to be maintained.

What is the life span of this initiative?

The life span of the initiative is 8-10 months after IRB award.



Alternatives

Discuss what could be done in place in this initiative and describe the consequences of each alternative.

Alternative	Consequence
Remain as-is	<ul style="list-style-type: none">• A stand-alone system with no interoperability, so information does not flow back and forth between TDC TRAINS system, HR system, and our registration system• No current internal training system exists, so employees will have to search multiple locations to find courses that match their desired skills.• The system cannot be updated while operating. It is nearly impossible to implement updates to the system while external workshops are ongoing.• ED Server is not maintained 24/7. When the server goes down, SFA does not know until users start calling and emailing. Then they have to locate someone at ED LAN to request that contractors inspect the server. Often the system will be down for days at a time.• Low customer satisfaction because the system does not provide information on specifics for each workshop.• SFA will have no accurate record of employee training and development.• Continued maintenance costs, and customer complaints due to ineffectual value provided by current fragmented systems• Continued lack of employee empowerment and low job satisfaction• Inability to provide reporting data for the cost effectiveness of different types of training
Non-technology solution	<ul style="list-style-type: none">• Enterprise integration capabilities will not exist• SFA will continue to pay high costs of outsourcing and maintaining outdated systems owned by ED and various contractors• Employees will have limited access to training history and training options• More SFA University employees will need to be hired to address the growing requests for training support from other SFA channels
Enhance an existing system	<ul style="list-style-type: none">• Lack of SFA ownership will hamper PBO goal achievements• Functionality could be limited by system requirements• Integration with HR and performance management systems may not be possible• Continued maintenance costs, ineffectual value provided by current fragmented systems• Lack of control over system input causes training information to be out of date• System maintenance and updates are only possible during ED LAN downtime.
Implement on a smaller scale	<ul style="list-style-type: none">• Services not extended to external customers• Enterprise integration capabilities will not exist• Majority of costs to implement will be incurred without achieving full benefits• Some services may need to be provided by hiring more SFA U employees to address the growing requests for training support from other SFA channels



Risks

Risk	Description of Risk	Mitigation Strategy
Financial	<ul style="list-style-type: none">• Maintenance and hosting costs could increase over time• Actual costs negotiated could vary from estimated “quoted” costs	<ul style="list-style-type: none">• Detailed costs will be negotiated and contracted
Technology	<ul style="list-style-type: none">• Limited integration with related systems as a result of incomplete requirements and/or incompatible systems	<ul style="list-style-type: none">• Formal software selection process• Coordinate/leverage task order 62 for requirements analysis, software selection and implementation plan• ASP approach
Scope	<ul style="list-style-type: none">• Incomplete or inaccurate services and capabilities deployed	<ul style="list-style-type: none">• Identify and confirm services and capabilities required during Phase 1 with all stakeholders (management, training administrators, employees, customers)• Perform formal software selection process
Upgrades	<ul style="list-style-type: none">• As the vendor releases new versions of their LMS, customizations made to accommodate the needs of SFA University will need to be applied to each upgraded version.	<ul style="list-style-type: none">• All customizations will be designed and documented as they are built so that all upgrades are known and can be easily duplicated.

Acquisition Strategy

Sources *(Indicate the prospective sources of supplies or services that can meet the need of this project. List the most likely offerors for the requirement, and/or the manufacturer and model of the equipment that will most likely be offered).*

For vendor LMS - several LMS providers were considered including: THINQ Training Server, Docent Enterprise, Saba Learning Enterprise, Knowledge Planet KP2000, Click2Learn Ingenium, LearnFrame, etc. For build option – this is a Modernization Partner effort.

Competition *(Describe how competition will be sought, promoted, and sustained throughout the course of the acquisition, including any performance requirements that will be required).*

During Phase 1, requirements were gathered to define the services and capabilities required. These requirements directed the software selection process and ensured the selection of best-of-breed provider. All requirements, including technical requirements, were validated with users and stakeholders and then submitted to potential providers in a vendor packet. Providers were screened based on responses to these requirements and then a refined short list of providers were invited to demonstrate their product to the LMS Team. At the end of Phase 1, a provider was selected based on its ability to deliver the services and capabilities required, compatibility with the technical environment, product stability, and pricing.



Contract Considerations (For each contract contemplated, discuss contract type selection; use of multiyear contracting, options, or other special contracting methods, ex: performance-based).

N/A

Milestones (including acquisition cycle)

Milestone
Phase 2 – Design, Build and Implement Basic LMS Functions for internal and external customers (5 months)
Finalize functional design
Finalize process design
Finalize technical design
Finalize business design
Determine deployment strategy
Determine security design
Implement LMS
Load online course catalog
Load training surveys and evaluations
Test system functionality
Facilitate hosting of online training (CBT, WBT, Webcasting, etc...)
Phase 3 – Customize and Extend LMS for internal and external customers (3 months)
Finalize functional design of customizations
Finalize process design of customizations
Finalize technical design of customizations
Facilitate training planning
Integrate with existing legacy systems
Build customizations
Facilitate training records maintenance that include employee “Transcripts”
Facilitate training communication (Announcements, SFA U list serve, FAQs)